



Shakarganj
Limited

Company That
BELIEVES
in you!



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VISION, MISSION & CORE VALUES

- To gain and maintain leadership in our relevant sectors by producing the best quality products at the lowest possible cost
- To give the best returns to our shareholders by optimal allocation of resources to the products and markets we compete in
- To provide the best value products and services to our customers through investment in technology, human resources, operational systems, and processes
- To provide the best working environment to our employees and provide them opportunities to enhance their skills
- To work with our farmers, suppliers, and distributors as partners in developing their expertise and profitability
- To pursue environment friendly policies, and effectively and efficiently use all energy resources aiming for zero waste and a clean healthy environment
- To be a socially responsible corporate citizen supporting education, health, environment, and socio economic development of its community

COMPANY INFORMATION

Board of Directors

| | |
|---|-----------------------|
| 1. Chairman (Non-Executive) | Muhammad Anwar |
| 2. Chief Executive Officer | Anjum Muhammad Saleem |
| In alphabetic order: | |
| 3. Executive Director | Ali Altaf Saleem |
| 4. Non-Executive Director | Hajerah Ahsan Saleem |
| 5. Non-Executive Director | Khalid Bashir |
| 6. Non-Executive Director (Independent) | Khawaja Jalaluddin |
| 7. Non-Executive Director | Muhammad Arshad |
| 8. Non-Executive Director (Independent) | Sheikh Asim Rafiq |

Audit Committee

| | |
|----------|----------------------------------|
| Chairman | Khalid Bashir |
| Member | Hajerah Ahsan Saleem |
| Member | Khawaja Jalaluddin (Independent) |
| Member | Sheikh Asim Rafiq (Independent) |

Human Resource & Remuneration Committee

| | |
|----------|-----------------------|
| Chairman | Muhammad Anwar |
| Member | Anjum Muhammad Saleem |
| Member | Khalid Bashir |

Chief Financial Officer

Muhammad Asif

Company Secretary

Asif Ali

Management Committees

Executive Committee

| | |
|----------|------------------------|
| Chairman | Anjum Muhammad Saleem |
| | Ali Altaf Saleem |
| | Muhammad Pervez Akhtar |

Business Strategy Committee

| | |
|----------|------------------------|
| Chairman | Anjum Muhammad Saleem |
| | Ali Altaf Saleem |
| | Muhammad Pervez Akhtar |
| | Muhammad Asif |
| | Manzoor Hussain Malik |

System & Technology Committee

| | |
|----------|------------------------|
| Chairman | Muhammad Pervez Akhtar |
| | Muhammad Asif |
| | Ibrahim Ahmad Cheema |

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Shakarganj Limited is a listed company and its shares are traded on the Pakistan Stock Exchange. Daily quotes on the Company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar & Allied Industries'

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Mr. Asif Ali at the Company's Office, Jhang. Tel: (047) 763 1001 - 05 Fax: (047) 763 1011 E-mail: info@shakarganj.com.pk

Shareholders' Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to CorpTec Associates (Pvt) Limited, Share Registrar of the Company at Lahore. Tel: (042) 3517 0336 - 7 Fax: (042) 3517 0338 E-mail: info@corptec.com.pk

Products

- Sugar
- Biofuel
- Yarn
- Tiger Compost

Legal Advisor

Saad Rasool Law Associates
Hassan & Hassan Advocates

Auditors

Riaz Ahmad & Company
Chartered Accountants

Bankers

MCB Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited

Works

Principal Facility

Management House
Toba Road, Jhang, Pakistan
Tel: (047) 763 1001 - 05
Fax: (047) 763 1011
E-mail: info@shakarganj.com.pk

Satellite Facility

Management House
63 km, Jhang Sargodha Road
Bhone, Pakistan
Tel: (048) 688 9211 - 13
Fax: (047) 763 1011

Website

www.shakarganj.com.pk
Note: This Report is available on Shakarganj website.

Registered and Principal Office

Executive Floor, IT Tower, 73 E 1
Hali Road, Gulberg III, Lahore, Pakistan
UAN: (042) 111 111 765
Tel: (042) 3578 3801-06
Fax: (042) 3578 3811

Karachi Office

12th Floor, Sidco Avenue Centre,
264 R.A. Lines, Karachi, Pakistan
Tel: (021) 3568 8149
Fax: (021) 3568 0476

Faisalabad Office

Nishatabad, New Lahore Road,
Faisalabad, Pakistan
Tel: (041) 875 2810
Fax: (041) 875 2811

Share Registrar

CorpTec Associates (Pvt) Limited
503-E, Johar Town,
Lahore
Tel: (042) 3517 0336 - 7
Fax: (042) 3517 0338
E-mail: info@corptec.com.pk

COMPANY PROFILE AND GROUP STRUCTURE

Shakarganj Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on the Pakistan Stock Exchange. Shakarganj is a leading manufacturer of food products, biofuel, as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products including refined sugar, biofuel and textiles etc. Our registered office is in Lahore with regional offices in Faisalabad and Karachi.

Shakarganj Limited, through its strategic shareholding in Shakarganj Food Products Limited, is also active in production of dairy and fruit products. Shakarganj Food Products Limited is the only subsidiary company of Shakarganj Limited.

Sugar Business:

We have two manufacturing facilities, which are both located in District Jhang. We produce different types of sugar comprising pharmaceutical, beverage and commercial grades sugar as well as soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs. Our combined crushing capacity is of 20,000 Tons of Cane per Day (TCD) which is extendable to 32,000 TCD.

Biofuel Business:

We have six distillation plants of which three are located at our Jhang facility and the remaining three are located at our Bhone facility where various grades of biofuel are produced. Our products include Rectified Ethanol (REN) for industrial and food grades, Anhydrous Ethanol for fuel grade, and Extra Neutral Alcohol (ENA) for pharmaceutical and perfume grades. The combined capacity of our distilleries is 350,000 litres per day.

Textile Business:

This cotton spinning unit produces carded cotton and PC yarn ranging from 10/s to 33/s and doubled yarn ranging from 8 to 40 TPI. The installed capacity is 24,960 spindles for cotton spinning and 2,304 spindles for doubling.

Farming & Allied Business:

This comprises different parcels of land mainly located in Jhang District near our manufacturing facilities. Total area under cultivation is 1,285 acres which is our owned land. The main crops include sugarcane, wheat, gram, maize, fodder and seasonal vegetables. A dairy farm located at Jhang has been developed, with a herd of 198 milking and fattening cattle. A small herd of rams and bucks for fattening purpose has also been developed. Shakarganj has also launched a new product in the area of non chemicals fertilizers under the brand name of "Shakarganj Tiger Compost". The product as organic fertilizer has been developed using aerobic decomposition process with addition of standardised microbial culture in filter cake. The compost is a rich source of organic matter, with macro and micro nutrients to help improve soil and it is very useful for better growth, yield and quality of all field crops in general and specifically for sugarcane. This is at its initial stage and would grow up in the farmer's community with the practical exposures.

Business Vision and Strategy:

Shakarganj's vision is to create the country's leading renewable ingredients business. We aim to achieve this by building a consistent portfolio of distinctive, profitable, high-value solutions in products and services for our customers. Shakarganj is committed to providing long-term value for our shareholders. Our strategy is to build a stronger value added business with a low-cost commodity base. We focus on five key business objectives to deliver consistent growth.

- Serve our Customers:

Delivering excellent customer service is at the core of everything we do. Our aim is to be the partner of choice in our customers' processes and to help them develop more successful consumer products.

- Operate Efficiently and Safely:

We aim to be the lowest-cost and most efficient producer in all our markets. Through our expertise in high-volume process management, our focus is on technical and

manufacturing excellence and the efficient use of services such as logistics and utilities. We are continually working to improve operational efficiency and strive to ensure safe and healthy conditions for everyone at our sites.

- Invest in Long Term Assets and Partnerships:

We continually evaluate investment opportunities that would add strategic value by enabling us to enter new markets or add products, technologies and knowledge more efficiently than we could originally. We also aim to grow our business by forming joint ventures and partnerships to enhance the capabilities of our existing product portfolio. Using alliances and joint ventures can be an efficient way to lower our cost of investing in new areas and markets, and will help secure access to new and complementary technology and expertise.

- Invest in Technology and People:

We are investing in our research and development capabilities to help us in developing innovative solutions that meet our customers' product challenges. We are also complementing our own capabilities through business and technology partnerships, and university collaborations. To develop talent, improve leadership and help our employees succeed, we operate various Programmes designed to ensure the right skills at all levels to grow our business.

- Grow the Contribution from Value Added Products:

We are committed to grow the contribution from our value added products. Value added products utilise technology and intellectual property enabling us to obtain a price premium along with sustainable and/or higher margins.

SFPL comprises of three divisions – Dairy, Juice and Pulp & Concentrates. The Dairy and Juice division uses Tetra Pak packages to deliver UHT dairy and beverage products to the local market. The Pulp & Concentrate division produces fruit pulps, concentrates and purees for sale in both the Pakistan and International market. Our aim is to supply premium quality food products to our customers and become one of the leading food companies in Pakistan.

DAIRY & JUICE DIVISION

Shakarganj entered into the dairy business in 2006 with the introduction of its brand “**good milk**”. Since then it has expanded with a diverse product portfolio in both the dairy and beverage category including UHT white milk, flavoured milk as well as a wide range of juices and nectars. The company has been able to leverage the Shakarganj name in the farming community to establish its milk collection network thereby developing a strong, sustainable and shared value based supply chain for the business function. The company sells its products throughout the country via a nationwide distribution network.

DAIRY & JUICE PLANT

- Processing and packaging plant located at Jaranwala.
- Machinery from internationally renowned companies such as Tetra Pak.
- Well-equipped, state of the art of laboratory and testing facility at the plant run by a team of technically skilled and experienced staff.
- Research facility for new product development.
- International and domestic quality certifications: HACCP, PSQCA, PFA and HILAL

MILK PROCUREMENT NETWORK

- Well established network of milk collection centers at prime locations in Pakistan.

- Collection centres run by highly skilled and experienced staff members.
- Quality procurement ensured by well-equipped laboratory and advanced testing facility.
- Advisory services provided by technical team to facilitate higher yield and enhanced milk quality to support the farming community

PULP & CONCENTRATE DIVISION

Shakarganj has significant capabilities regarding the production of fruit pulps and purees. It is one of the leading manufacturers in Pakistan and has a significant volume of exports to Europe, the Middle East, Africa and Far East. Our manufacturing and processing facility is located in the heart of the agricultural and fruit producing region of Pakistan; giving our customers an advantage in terms of product freshness, continuity of fruit supply and reduced ‘time to market’.

- Plant is located at Chiniot.
- Two processing lines for production of juice concentrates, puree and pulps.
- Product storage facilities consist of both, a refrigerated and frozen setup.
- Technically skilled and experienced manpower.
- Well-equipped laboratory and testing facilities ensure effective quality assurance according to international standards.
- International quality certifications: Food Safety System Certification 22000 and HACCP.

DIRECTORS' REVIEW

The directors of your company are pleased to present the condensed interim financial statements of the Company and the Group for the half year ended 31 March 2020.

Economic Outlook in Extraordinary Times

Dear Shareholder, due to outbreak of corona virus pandemic, we are preparing this report in extraordinary times. This disrupted supply chains process badly and disturbed economic activity prompting social distancing and curtailment of activities. The pandemic is increasing right now day by day and the immediate challenges for the federal and provincial governments is to contain the spread of corona virus pandemic as well as minimizing economic losses and protecting the most affected segments of the country.

Financial and Operational Performance:

In spite of the challenges, your Company was able to crush 884,724 MT of sugarcane which is almost double as compared to 484,762 MT of sugarcane crushed in the corresponding period. Shakarganj started crushing campaign this year more than one month earlier on 25 November 2019 as compared to last season start up from 30 December 2018. Most of the time, growers were not willing to sell sugarcane at the rate fixed by provincial government of Rs. 190 per 40 kg and wanted more price which resulted in price war among the mills. During the period, Punjab Sugar Mills Association had also announced closure of mills for couple of weeks due to non-availability of the sugarcane at announced price. Keeping in view all the challenges, we were able to significantly increase our crushing due to early start of season. However, increase in selling price of sugar was not enough to compensate the additional raw material cost with low recovery of sugar.

In biofuel business, due to non feasible prices of molasses our distilleries could not start its operations properly due to non-availability of molasses at feasible rate. Operational days of distilleries were only 58 as compared to 128 days in the corresponding period.

During the half year ended 31 March 2020, Company's overall sales revenue stood at Rs. 4,942.9 million (HY19: Rs. 4,444.9 million). During the period gross loss of the Company amounted to Rs.392.9 million as compared to gross profit of Rs. 273.9 million in corresponding period of last year. The Company's loss before tax was Rs. 415.2 million as compared to loss before tax of Rs.435 million in the corresponding period. Company incurred an overall after tax loss of Rs. 399.0 million as compared to after tax loss of Rs. 86.6 million in the corresponding period of last year.

Business Segments:

Sugar Division:

Sugar Division revenue net of tax for the first half of Fiscal Year 2020 was Rs. 4,446.7 million and inter-segment sale of this division was Rs. 710.1 million as against net sales revenue of Rs. 2,046.8 million and inter-segment sale of Rs. 479.4 million during corresponding period of last year. The Sugar Division crushed 884,724 MT (HYFY19: 484,762 MT) of sugarcane to produce 77,560 MT (HYFY19: 49,016 MT) of sugar at an average recovery rate of 8.76 percent (HYFY19: 10.13 percent) resulting in a 58 percent increase in sugar production however due to quality of sugarcane, recovery was declined significantly.

Due to earlier start and increase in sale price of sugar at the start of the season, the production and sales were significantly increased as compared to corresponding period of last year. However, due to stiff competition raw material cost was also increased. High

cost of production and low recovery resulted gross loss of 5.62% during the current period, compared to gross loss of 5.68% during the corresponding period of last year. The bottom-line resulted in loss before tax of Rs. 455 million as compared to loss before tax of Rs. 228.8 million for the corresponding period of last year.

Biofuel Division:

Net sales revenue of Biofuel Division during the period amounted to Rs. 1.3 million with inter segment sale of Rs. 25.9 million as compared to net sales revenue of Rs. 1,713.7 million with inter segment sale of Rs. 75.0 million during last period. Gross loss for the period stood at Rs. 85 million as compared to profit of Rs. 413.1 million in corresponding period of last year. The bottom-line resulted in loss before tax of Rs. 126.7 million as compared to profit before tax of Rs. 251.1 million for the corresponding period last year. The production of this division decreased to 7.21 million litres (HYFY19: 14.44 million litres). As discussed earlier, due to closure of biofuel operations there were no exports during the period.

Textile Division:

Textile Division revenue for the six months amounted to Rs. 477.7 million as compared to Rs. 667 million in corresponding period of last year. Yarn production decreased to 1.55 million kg (HYFY19: 2.29 million kg). Gross loss for the period stood at Rs. 21.6 million. Textile Division gross loss margin was 4.51% during the current period as compared to gross loss margin of 0.96% during corresponding period. Main factors behind increase in loss include significant increase in raw material cost and per unit cost of electricity. The bottom-line resulted in loss before tax of Rs. 39.5 million as compared to loss before tax of Rs. 23 million for the corresponding period last year.

Unconsolidated Financial Position

Statement of Financial Position footing stood at Rs. 14,264.6 million as of 31 March 2020, compared to Rs 13,371.4 million on 30 September 2019. Total shareholders' fund decreased to Rs. 7,478.9 million from Rs. 7,877.2 million as at 30 September 2019. Break-up value per share was Rs. 59.83.

Consolidated Financial Performance

On a consolidated basis, operating loss before finance costs and share of profit from associate amounted to Rs. 360.8 million (HY19: profit Rs. 291.1 million). Consolidated loss after tax for the Group for the period was Rs. 611.8 million as compared to loss after tax of Rs. 77 million in HY19. During the period under review, loss after tax of Shakarganj Food Products Limited - the subsidiary company amounted to Rs.448.4 million (HFY19: profit after tax Rs. 144.4 million). Reason of loss include decrease in sale volume due to steep drop in consumption, increase in cost of production as the input cost increased around 28% for raw milk, 65% for skimmed milk powder and 14% for vegetable fat compared to the same period last year.

On a Group basis, the consolidated Statement of Financial Position footing stood at Rs. 23,041.9 million, compared to Rs.22,254.7 million as at 30 September 2019. Total equity decreased to Rs. 9,058.0 million from Rs. 9,669.9 million as at 31 March 2020.

Health, Safety, Environment and Corporate Social Responsibility

To ensure a safe and healthy work environment, the Company is adapting its health and safety practices in line with the development of the COVID-19 pandemic. Measures include categorization of staff essential to be present in office for uninterrupted operations, whereas

the other staff is shifted to work-from-home. Technological developments have made the minimal physical interaction possible by conversion to virtual meetings. All efforts are being made to mitigate the situation encountered by pandemic. We also actively seek opportunities to contribute to the communities in which we operate and to improve the environments that sustain us all. Our areas of primary focus are education, health and safety, energy conservation, waste reduction, and community building.

Future Outlook:

In view of corona virus disease, business activities were abandoned and future outlook, accordingly seems much curtailed and full of difficulties. The slowdown in economic activities has already affected the export sector as international demand has scaled down significantly. The partial lockdown is likely to continue, with easing up of some selective industries. However, Company's management is reviewing the situation and would take all essential measures for continuity of business wherever possible and as allowed by the government in view of the evolving developments arising from the disease. During the first half of fiscal year 2020, the Company has successfully renewed its working capital lines. The Company remains committed to its best efforts to achieve better performance to keep the Company going on and to improve its liquidity scenario.

Finally, we would like to thank all stakeholders for their patronage and look forward to their continued support.

For and behalf of Board of Directors



Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Director

Date: 29 May 2020

Independent Auditor's Review Report

To the members of Shakarganj Limited Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of SHAKARGANJ LIMITED as at 31 March 2020 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 March 2020 and 31 March 2019 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 March 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The financial statements of the Company for the year ended 30 September 2019 and half year ended 31 March 2019 were audited and reviewed respectively by another auditor whose reports, dated 04 January 2020 and 29 May 2019, expressed unqualified opinion / conclusion on those statements.

The engagement partner on the review resulting in this independent auditor's review report is Liaqat Ali Panwar.

Faisalabad
Date: 29 May 2020

Riaz Ahmad & Company
Chartered Accountants

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2020 (Un-audited)

| | Note | 31 March 2020 (Un-audited) | 30 September 2019 (Audited) Restated |
|---|------|----------------------------------|---|
| (Rupees in thousand) | | | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorized share capital | | | |
| 150 000 000 (30 September 2019: 150 000 000) ordinary shares of Rupees 10 each | | 1,500,000 | 1,500,000 |
| 50 000 000 (30 September 2019: 50 000 000) preference shares of Rupees 10 each | | 500,000 | 500,000 |
| | | 2,000,000 | 2,000,000 |
| Issued, subscribed and paid up share capital | | | |
| 125 000 000 (30 September 2019: 125 000 000) ordinary shares of Rupees 10 each | | 1,250,000 | 1,250,000 |
| Capital reserves | | | |
| Surplus on revaluation of property, plant and equipment - net of deferred income tax | | 6,206,381 | 6,356,860 |
| Other capital reserves | | 1,684,562 | 1,696,421 |
| Revenue reserves | | 516,306 | 516,306 |
| Accumulated loss | | (2,178,434) | (1,942,398) |
| TOTAL EQUITY | | 7,478,815 | 7,877,189 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term financing | 3 | 23,750 | 128,291 |
| Deferred income tax liability | | 1,199,545 | 1,195,605 |
| | | 1,223,295 | 1,323,896 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,856,599 | 2,028,140 |
| Short term borrowings | | 2,346,148 | 1,804,077 |
| Accrued mark-up | | 78,410 | 79,647 |
| Current portion of long term financing | 3 | 279,413 | 256,453 |
| Unclaimed dividend | | 1,960 | 2,039 |
| | | 5,562,530 | 4,170,356 |
| TOTAL LIABILITIES | | 6,785,825 | 5,494,252 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 4 | | |
| TOTAL EQUITY AND LIABILITIES | | 14,264,640 | 13,371,441 |

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

| | Note | 31 March 2020 (Un-audited) | 30 September 2019 (Audited) Restated |
|---|------|----------------------------------|---|
| (Rupees in thousand) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 10,011,962 | 10,253,780 |
| Biological assets | | 16,451 | 17,017 |
| Long term investments | 6 | 1,801,261 | 2,035,582 |
| Employees' retirement benefits | | 38,996 | 38,996 |
| Long term loans, advances and deposits | | 34,035 | 34,001 |
| | | 11,902,705 | 12,379,376 |
| CURRENT ASSETS | | | |
| Biological assets | | 22,870 | 29,299 |
| Stores, spare parts and loose tools | | 70,802 | 63,691 |
| Stock-in-trade | 7 | 1,770,353 | 576,860 |
| Trade debts | | 80,829 | 35,078 |
| Loans, advances, deposits, prepayments and other receivables | | 397,518 | 203,435 |
| Cash and bank balances | | 19,563 | 83,702 |
| | | 2,361,935 | 992,065 |
| TOTAL ASSETS | | 14,264,640 | 13,371,441 |


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half Year Ended 31 March 2020 (Un-Audited)

| | Half year ended | | Quarter ended | |
|--|----------------------------------|------------------|------------------|------------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | ----- (Rupees in thousand) ----- | | | |
| REVENUE | 4,942,889 | 4,444,857 | 2,830,713 | 2,962,637 |
| COST OF SALES | (5,335,761) | (4,170,993) | (3,061,101) | (2,815,391) |
| GROSS (LOSS) / PROFIT | (392,872) | 273,864 | (230,388) | 147,246 |
| ADMINISTRATIVE EXPENSES | (170,637) | (150,957) | (93,795) | (79,856) |
| DISTRIBUTION COST | (54,937) | (113,583) | (50,779) | (47,229) |
| OTHER EXPENSES | (10,425) | (31,347) | (1,369) | (7,414) |
| OTHER INCOME | 716,203 | 35,402 | 29,837 | 25,442 |
| PROFIT / (LOSS) FROM OPERATIONS | 87,332 | 13,379 | (346,494) | 38,189 |
| FINANCE COST | (173,728) | (155,590) | (86,731) | (82,361) |
| SHARE OF (LOSS) / PROFIT FROM EQUITY | | | | |
| ACCOUNTED INVESTEE | (328,831) | 98,718 | (124,510) | 38,838 |
| LOSS BEFORE TAXATION | (415,227) | (43,493) | (557,735) | (5,334) |
| TAXATION | 16,244 | (43,109) | (29,022) | (13,060) |
| LOSS AFTER TAXATION | (398,983) | (86,602) | (586,757) | (18,394) |
| LOSS PER SHARE - BASIC AND DILUTED (RUPEES) | (3.19) | (0.69) | (4.69) | (0.15) |

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Half Year Ended 31 March 2020 (Un-Audited)

| Note | 31 March 2020 (Rupees in thousand) | 31 March 2019 | |
|---|--|------------------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash (used in) / generated from operations | 9 | (255,931) | 367,787 |
| Finance cost paid | | (174,965) | (134,004) |
| Net increase in long term loans, advances and deposits | | (34) | (15) |
| Income tax paid | | (54,880) | (48,386) |
| Net cash (used in) / generated from operating activities | | (485,810) | 185,382 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (42,389) | (57,022) |
| Proceeds from sale of livestock | | 3,281 | 1,753 |
| Proceeds from sale of property, plant and equipment | | 368 | 19,199 |
| Net cash used in investing activities | | (38,740) | (36,070) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Short term borrowings - net | | 542,071 | (59,272) |
| Repayment of long term financing | | (81,581) | (39,081) |
| Dividend paid | | (79) | (101) |
| Net cash from / (used in) financing activities | | 460,411 | (98,454) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | | (64,139) | 50,858 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | | 83,702 | 28,271 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | | 19,563 | 79,129 |

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 March 2020 (Un-Audited)

| | Half year ended | | Quarter ended | |
|--|----------------------------------|------------------|------------------|------------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | ----- (Rupees in thousand) ----- | | | |
| LOSS AFTER TAXATION | (398,983) | (86,602) | (586,757) | (18,394) |
| OTHER COMPREHENSIVE INCOME / (LOSS) | | | | |
| Items that will not be reclassified to profit or loss in subsequent periods: | | | | |
| Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income | 609 | (6,792) | (1,557) | (3,019) |
| Items that may be reclassified to profit or loss in subsequent periods | - | - | - | - |
| Other comprehensive income / (loss) for the period | 609 | (6,792) | (1,557) | (3,019) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (398,374) | (93,394) | (588,314) | (21,413) |

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 March 2020 (Un-Audited)

| | RESERVES | | | | | | | | | | TOTAL EQUITY | | | | |
|---|------------------|----------------------------------|--|---|--|--|---|-------------|-----------|-----------------------|--------------|-----------|-------------------------------------|---------------|----------------------|
| | CAPITAL RESERVES | | | | | REVENUE RESERVES | | | | | | TOTAL | | | |
| | SHARE CAPITAL | Premium on issue of right shares | Share in capital reserves of equity accounted investee | Fair value available for sale investments | Fair value of investments through comprehensive income | Difference of capital under scheme of merger of merger | Surplus on revaluation of property, plant and equipment deferred income tax | Sub total | General | Dividend equalization | | | Equity investment value revaluation | Sub total | |
| | | | | | | | | | | | | | | | (RUPEES IN THOUSAND) |
| Balance as at 30 September 2018 - (Audited) | 1,20,00,000 | 1,05,63,373 | 4,69,980 | (21,47) | - | 1,55,930 | 6,82,50,404 | 8,92,55,940 | 40,63,606 | 22,700 | 83,000 | 51,63,006 | 90,21,846 | (15,84,974) | 8,66,2,872 |
| Adjustment on adoption of IFRS 9 | - | (5,300) | - | (5,300) | - | - | - | (5,300) | - | - | - | - | (5,300) | - | - |
| Adjusted total equity as at 01 October 2018 | 1,20,00,000 | 1,05,63,373 | 4,69,980 | 7,347 | - | 1,55,930 | 6,82,50,404 | 8,50,00,340 | 40,63,606 | 22,700 | 83,000 | 51,63,006 | 90,16,646 | (1,58,37,740) | 8,66,2,872 |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax | - | - | - | - | - | - | (1,99,576) | (1,99,576) | - | - | - | - | - | - | - |
| Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax | - | - | - | - | - | - | (1,99,576) | (1,99,576) | - | - | - | - | - | - | - |
| Loss for the period | - | - | (10,231) | - | - | - | (10,231) | (10,231) | - | - | - | - | (10,231) | - | - |
| Other comprehensive loss for the period | - | - | - | - | (6,792) | - | (6,792) | (6,792) | - | - | - | - | (6,792) | - | (6,792) |
| Total comprehensive loss for the period | - | - | (10,231) | - | (6,792) | - | (17,023) | (17,023) | - | - | - | - | (17,023) | - | (17,023) |
| Balance as at 31 March 2019 - (Un-audited) | 1,20,00,000 | 1,05,63,373 | 4,59,749 | - | (14,139) | 1,55,930 | 6,65,51,828 | 8,33,21,241 | 40,63,606 | 22,700 | 83,000 | 51,63,006 | 8,94,00,447 | (15,00,359) | 8,59,9,478 |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax | - | - | - | - | - | (1,63,379) | (1,63,379) | (1,63,379) | - | - | - | - | (1,63,379) | - | - |
| Adjustment of incremental depreciation liability due to reassessment at year end | - | - | - | - | - | (1,40,694) | (1,40,694) | (1,40,694) | - | - | - | - | (1,40,694) | - | (1,40,694) |
| Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment | - | - | - | - | - | (2,905) | (2,905) | (2,905) | - | - | - | - | (2,905) | - | - |
| Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax | - | - | (10,231) | - | - | - | (10,231) | (10,231) | - | - | - | - | (10,231) | - | - |
| Loss for the period - Restated | - | - | 47,911 | - | - | 828 | - | 48,739 | - | - | - | - | 48,739 | - | 48,739 |
| Other comprehensive income for the period | - | - | - | - | 828 | - | 828 | 828 | - | - | - | - | 828 | - | 828 |
| Total comprehensive loss for the period - Restated | - | - | 47,911 | - | 828 | - | 48,739 | 48,739 | - | - | - | - | 48,739 | - | 48,739 |
| Balance as at 30 September 2019 - (Audited) - Restated | 1,20,00,000 | 1,05,63,373 | 4,97,429 | - | (13,310) | 1,55,930 | 6,35,66,160 | 8,03,31,241 | 40,63,606 | 22,700 | 83,000 | 51,63,006 | 8,59,95,557 | (1,94,32,386) | 7,87,7,859 |
| Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax | - | - | - | - | - | (150,479) | (150,479) | (150,479) | - | - | - | - | (150,479) | - | - |
| Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax | - | - | (12,468) | - | - | - | (12,468) | (12,468) | - | - | - | - | (12,468) | - | - |
| Loss for the period | - | - | - | - | - | 609 | - | 609 | - | - | - | - | 609 | - | 609 |
| Other comprehensive income for the period | - | - | - | - | 609 | - | 609 | 609 | - | - | - | - | 609 | - | 609 |
| Total comprehensive loss for the period | - | - | - | - | 609 | - | 609 | 609 | - | - | - | - | 609 | - | 609 |
| Balance as at 31 March 2020 - (Un-audited) | 1,20,00,000 | 1,05,63,373 | 4,84,961 | - | (12,702) | 1,55,930 | 6,20,63,381 | 7,99,03,943 | 40,63,606 | 22,700 | 83,000 | 51,63,006 | 8,40,72,459 | (2,78,154) | 7,89,8,915 |

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Half Year Ended 31 March 2020 (Un-Audited)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Shakarganj Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in the business of manufacture, purchase and sale of sugar, biofuel and yarn (textile). Moreover the Company also operates agriculture farms.
- 1.2 Due to evolution of COVID-19 pandemic, the Company's operations were also affected, as sugar sales, ethanol exports and yarn sales of the Company dropped after the country-wide lockdown from 24 March 2020. However, State Bank of Pakistan vide its circular No. ERD/M&PRD/PR/01/2020-32 dated 26 March 2020 allowed deferment of principal repayments on loan obligations due to banks by a period of one year. The Company has availed this opportunity and applied to National Bank of Pakistan (NBP) on 08 April 2020, subsequent to the reporting date and requested to defer the loan repayments of long term financing and short term borrowings accumulating to Rupees 463.162 million. NBP on 19 May 2020 has approved the deferment of loan repayments as requested by the Company. The Company is fully committed to continue as a going concern in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

- i) These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- ii) These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 September 2019. These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as approved in the preparation of the audited annual financial statements for the year ended 30 September 2019, except for the following:

IFRS 16 'Leases'

The Company has adopted International Financial Reporting Standard (IFRS) 16 from 01 July 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and instead introduces a single lessee accounting model. IFRS 16 is not applicable on short-term leases and leases of low-value assets. The Company has only short-term operating leases, hence, the adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

Investment in subsidiary company

Investment in subsidiary company is accounted for using equity method in accordance with IAS 27 'Separate Financial Statements'.

2.2 Critical accounting estimates, judgments and financial risk management

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 September 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited published financial statements of the Company for the year ended 30 September 2019.

2.3 Seasonality of operations

The Company is, inter alia, engaged in manufacturing of sugar for which the season begins in November and ends in March. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increasing volume of inventories and financing at the end of the first half.

3. LONG TERM FINANCES

Financing from banking company and financial institution - secured

| | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|---|--|-----------------------------------|
| Opening balance | 384,744 | 540,406 |
| Less: Repaid during the period / year | (81,581) | (155,662) |
| | 303,163 | 384,744 |
| Less: Current portion shown under current liabilities | (279,413) | (256,453) |
| | 23,750 | 128,291 |

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

- (i) The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 through notification No. SO. Tax (E&T) 3-4/2012 dated 03 July 2012, levied a duty of Rupees 2 per liter on manufacturing of spirit (biofuel) with effect from 01 July 2012. In view of legal lacunas, discrimination as to other provinces, no legislative competence and lawful authority of Government of Punjab to impose such duty on industrial ethanol which is not alcohol liquor and the fact that the Company is exporter of the spirit which is exempted under Order 6 of the Punjab Liquor Import, Export, Transportation and Possessions Orders, the management through its legal counsel has challenged the imposition of said levy and is currently contesting it at Honorable Lahore High Court, Lahore. Keeping in view all the court proceedings and grounds discussed in various higher courts, Punjab Government, after due deliberations of the Provincial Cabinet of the Punjab Government, on 20 August 2019, through its notification no. SO(E&M)2-5/2018/ED withdrew the imposed duty of Rupees 2 per liter upon the manufacture of spirit in any distillery. As per Company's legal counsel, the Company has clear-cut case and the decision of the case shall be in favor of the Company. In view of the aforesaid, the duty on manufacturing of spirit (biofuel) previously recognized as liability amounting to Rupees 430.280 million has been derecognized and Rupees 236.454 million previously deposited on this account has been recognized as receivable being refundable.
- (ii) The Company has paid an advance amounting to Rupees 12.999 million to Messrs Industrial Enterprises for designing the boiler project to use only biogas as fuel with no option of burning bagasse. However, the boiler could not generate steam as per specification. It is unlikely that this project will be completed. Therefore the Company has gone into litigation with Industrial Enterprises in Civil Court, Jhang on 03 July 2018 for the recovery of the advance paid along with damages. Based on the advice of legal counsel, there are favourable grounds that the case will be decided in favour of the Company and the advance amount paid will be refunded back.

4.2 Commitments

There is no contract for capital and other expenditure as at 31 March 2020 (30 September 2019: Rupees Nil).

| | Note | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|--|-------|--|-----------------------------------|
| 5. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 9,857,581 | 10,109,369 |
| Capital work-in-progress | 5.2 | 154,381 | 144,411 |
| | | 10,011,962 | 10,253,780 |
| 5.1 Operating fixed assets | | | |
| Opening book value | | 10,109,369 | 10,706,426 |
| Add: Cost of additions during the period / year | 5.1.1 | 32,419 | 37,731 |
| | | 10,141,788 | 10,744,157 |
| Less: Book value of deletions during the period / year | 5.1.2 | 71 | 19,183 |
| | | 10,141,717 | 10,724,974 |
| Depreciation charged during the period / year | | 284,136 | 615,605 |
| | | 9,857,581 | 10,109,369 |

| | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|---|--|---|
| 5.1.1 Cost of additions during the period / year | | |
| Building | 3,712 | 4,193 |
| Plant and machinery | 25,627 | 28,097 |
| Tools and equipment | 23 | 690 |
| Water, electric and weighbridge equipment | 2,353 | 3,003 |
| Furniture and fixtures | 621 | 532 |
| Office equipment | - | 400 |
| Vehicles | 83 | 816 |
| | 32,419 | 37,731 |
| 5.1.2 Book value of deletions during the period / year | | |
| Freehold land | - | 5,300 |
| Building | - | 793 |
| Plant and machinery | - | 10,157 |
| Water, electric and weighbridge equipment | - | 92 |
| Furniture and fixtures | 13 | 73 |
| Office equipment | - | 1 |
| Vehicles | 58 | 2,767 |
| | 71 | 19,183 |
| 5.2 Capital work-in-progress | | |
| Civil works | - | 3,712 |
| Plant and machinery | 104,806 | 109,691 |
| | 104,806 | 113,403 |
| Advances against capital work-in-progress | 86,513 | 67,946 |
| Less: Provision for doubtful advances and impairment | (36,938) | (36,938) |
| | 49,575 | 31,008 |
| | 154,381 | 144,411 |
| Note | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) Restated |
| 6. LONG TERM INVESTMENTS | | |
| Investment in subsidiary | 6.1 1,792,842 | 2,027,772 |
| Investments at fair value through other comprehensive income | 8,419 | 7,810 |
| | 1,801,261 | 2,035,582 |

| | Note | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) Restated |
|---|------|--|---|
| 6.1 Investment in subsidiary | | | |
| Unquoted | | | |
| Shakarganj Food Products Limited | | | |
| 87 785 643 (30 September 2019: 87 785 643) fully paid ordinary shares of Rupees 10 each | | | |
| Equity held: 52.39% (30 September 2019: 52.39%) | 6.11 | 1,792,842 | 2,027,772 |
| 6.1.1 Movement during the period / year | | | |
| Cost | | 590,784 | 590,784 |
| Brought forward amount of post acquisition reserves | | 1,436,988 | 1,334,007 |
| Share of (loss) / profit for the period / year before taxation | | (328,831) | 5,279 |
| Provision for taxation | | 93,901 | 49,791 |
| Share of other comprehensive income during the period / year | | - | 47,911 |
| | | 1,202,058 | 1,436,988 |
| Balance as at period / year end | | 1,792,842 | 2,027,772 |

6.1.2 Shakarganj Food Products Limited (SFPL) is a public unlisted company incorporated in Pakistan and is principally engaged in the business of manufacturing, processing and sale of food products. On 08 August 2018, the Company's shareholding in SFPL increased to 52.39% from 49.24%. However, the Company did not classify this investment as investment in subsidiary company in its financial statements for the year ended 30 September 2018 and onwards. In view of the applicable requirements of the Companies Act, 2017, the Company has now classified this investment as investment in subsidiary company and accounted for this investment using the equity method in accordance with IAS 27 'Separate Financial Statements' in its separate financial statements. As the Company was already applying equity method of accounting to this investment, hence there is no impact of this reclassification on separate financial statements of current and previous periods. However, the Company has now started preparing consolidated financial statements.

6.1.3 The Company has restated the post acquisition reserves as at 30 September 2019 in respect of its investment in SFPL by revising the share of post acquisition profit from the subsidiary, which was wrongly disclosed in the annual financial statements of the Company. This prior period error has been corrected retrospectively in these unconsolidated condensed interim financial statements in accordance with International Accounting Standard IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Consequently, as at 30 September 2019, investment in subsidiary and deferred income tax liability have been increased by Rupees 20,458 million and Rupees 3,069 million while accumulated loss has decreased by Rupees 17,389 million.

| | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|--------------------------|--|-----------------------------------|
| 7. STOCK-IN-TRADE | | |
| Raw materials | 203,463 | 2,652 |
| Work-in-process | 15,071 | 20,724 |
| Finished goods | 1,551,819 | 553,484 |
| | 1,770,353 | 576,860 |

7.1 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the period was Rupees 6.22 million (30 September 2019: Rupees 4.13 million).

| | Half year ended (Un-audited) | |
|--|--|------------------|
| | 31 March 2020 (Rupees in thousand) | 31 March 2019 |
| 9. CASH (USED IN) / GENERATED FROM OPERATIONS | | |
| Loss before taxation | (415,227) | (43,493) |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 284,136 | 307,698 |
| Gain on sale of property, plant and equipment | (297) | (4,221) |
| Share of loss / (profit) from equity accounted investee | 328,831 | (98,718) |
| Finance cost | 173,728 | 155,590 |
| Adjustment on account of excise duty on manufacturing of ethanol | (666,734) | - |
| Allowance for expected credit losses | 1,062 | - |
| Working capital changes (Note 91) | 38,570 | 50,931 |
| | <u>(255,931)</u> | <u>367,787</u> |
| 9.1 Working capital changes | | |
| (Increase) / decrease in current assets: | | |
| Stock-in-trade | (1,193,493) | (150,802) |
| Trade debts | (46,813) | (331,558) |
| Stores, spare parts and loose tools | (7,111) | (33,566) |
| Loans, advances, deposits, prepayments and other receivables | (212,920) | 75,011 |
| Biological assets - net | 3,714 | (6,522) |
| | <u>(1,456,623)</u> | <u>(447,437)</u> |
| Increase in trade and other payables | 1,495,193 | 498,368 |
| | <u>38,570</u> | <u>50,931</u> |

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary company, associated companies, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties as follows:

| | (Un-audited) | | | |
|--|------------------|------------------|------------------|------------------|
| | Half year ended | | Quarter ended | |
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| (Rupees in thousand) | | | | |
| i) Transactions | | | | |
| Subsidiary company | | | | |
| Sale of goods | 86,079 | 150,534 | 59,945 | 90,109 |
| Common expenses shared | 1,163 | 800 | 927 | 276 |
| Sale of fixed assets | - | 4,965 | - | 4,965 |
| Associated companies | | | | |
| Purchase of goods | 257,444 | 192,826 | 169,876 | 191,656 |
| Common expenses shared | 6,258 | 6,673 | 6,003 | 2,789 |
| Insurance expenses | 4,595 | 4,987 | 2,067 | 2,789 |
| Sale of goods and rendering of services | 260,508 | 173,570 | 175,285 | 173,385 |
| Dividend income | - | 180 | - | - |
| Other related parties | | | | |
| Company's contribution to employees retirement benefits | 10,956 | 5,878 | 5,259 | 3,115 |
| Mark-up expense | 17,076 | 21,984 | 8,866 | 11,415 |
| Remuneration paid to Chief Executive Officer, directors and executives | 87,347 | 67,649 | 34,965 | 25,055 |

| | 31 March 2020 (Un-audited) | 30 September 2019 (Audited) |
|--|----------------------------------|-----------------------------------|
| | (Rupees in thousand) | |
| ii) Period end balances | | |
| Subsidiary company | | |
| Trade debts | 60,446 | - |
| Trade and other payables | 5,052 | - |
| Loans, advances, deposits, prepayments and other receivables | 8,464 | - |
| Associated companies | | |
| Trade and other payables | 37,963 | 10,393 |
| Loans, advances, deposits, prepayments and other receivables | 6,436 | 1,087 |
| Other related parties | | |
| Employees' retirement benefits | 38,996 | 38,996 |
| Trade and other payables | 40,967 | 36,628 |

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

11.1 Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

| Level 1 | Level 2 | Level 3 | Total |
|---------|---------|---------|-------|
|---------|---------|---------|-------|

(Rupees in thousand)

Financial assets - recurring fair value measurement

At 31 March 2020 - (Un-audited)

| | | | | |
|--|-------|---|---|-------|
| At fair value through other comprehensive income | 8,419 | - | - | 8,419 |
|--|-------|---|---|-------|

At 30 September 2019 - Audited

| | | | | |
|--|-------|---|---|-------|
| At fair value through other comprehensive income | 7,810 | - | - | 7,810 |
|--|-------|---|---|-------|

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

12. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved and authorized for issue on 29 May 2020 by the Board of Directors of the Company.

13. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison except for the following:

| Particulars | Reclassification | | Amount (RUPEES IN THOUSAND) |
|---|------------------|---------------------------|--------------------------------|
| | From | To | |
| Commission on sales netted off from revenue | Revenue | Distribution cost | 3,268 |
| Fair value gain on crops | Other income | Adjusted in cost of sales | 3,617 |

14. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.


Chief Executive Officer


Director


Chief Financial Officer

Consolidated Condensed Interim Financial Statements

For the half year ended March 31, 2020
(Shakarganj Limited and Its Subsidiary Company)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2020 (Un-audited)

| Note | 31 March 2020 (Un-audited) | 30 September 2019 (Audited) | 30 September 2018 (Audited) |
|-----------------------------------|--|--------------------------------|--------------------------------|
| (Rupees in thousand) | | | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorized share capital | | | |
| | 150 000 000 (30 September 2019: 150 000 000) ordinary shares of Rupees 10 each | 150,000,000 | 150,000,000 |
| | 50 000 000 (30 September 2019: 50 000 000) preference shares of Rupees 10 each | 500,000 | 500,000 |
| | <u>2,000,000</u> | <u>2,000,000</u> | <u>2,000,000</u> |
| | Issued, subscribed and paid up share capital 125 000 000 (30 September 2019: 125 000 000) ordinary shares of Rupees 10 each | 1,250,000 | 1,250,000 |
| | Capital reserves Surplus on revaluation of property, plant and equipment - net of deferred income tax | 6,731,946 | 6,894,893 |
| | Other capital reserves | 1,276,763 | 1,207,103 |
| | Revenue reserves | 516,306 | 516,306 |
| | Accumulated loss | (2,368,381) | (1,645,311) |
| | Equity attributable to equity holders of the Holding Company | 7,406,634 | 7,804,974 |
| | Non-controlling interest | 1,651,395 | 1,705,823 |
| | TOTAL EQUITY | 9,058,029 | 9,669,865 |
| | LIABILITIES | | |
| | NON-CURRENT LIABILITIES | | |
| 3 | Long term financing | 631,250 | 708,291 |
| | Musharakah financing - debt portion | 162,260 | 151,562 |
| | Long term deposits | 7,000 | 7,000 |
| | Liabilities against assets subject to financing arrangement | - | 714,538 |
| | Lease liabilities | 599,285 | - |
| | Deferred income | 22,389 | 22,977 |
| | Employees' retirement benefits | 226,834 | 207,426 |
| | Deferred income tax liability | 1,485,251 | 1,777,370 |
| | | <u>3,134,269</u> | <u>3,589,164</u> |
| | CURRENT LIABILITIES | | |
| | Trade and other payables | 7,262,983 | 5,968,779 |
| | Short term borrowings | 2,695,342 | 2,103,271 |
| | Accrued mark-up | 149,239 | 119,385 |
| | Current portion of non-current liabilities | 740,085 | 802,248 |
| | Unclaimed dividend | 1,960 | 2,039 |
| | | <u>10,849,609</u> | <u>8,995,722</u> |
| | TOTAL LIABILITIES | 13,983,878 | 12,584,886 |
| | CONTINGENCIES AND COMMITMENTS | | |
| 4 | TOTAL EQUITY AND LIABILITIES | <u>23,041,907</u> | <u>22,254,751</u> |

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

| | Note | 31 March 2020 (Un-audited) | 30 September 2019 (Audited) | 30 September 2018 (Audited) |
|---|------|----------------------------------|-----------------------------------|-----------------------------------|
| (Rupees in thousand) | | | | |
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 5 | 17,902,943 | 18,179,195 | 15,666,244 |
| Intangible asset | | 4,860 | 5,467 | - |
| Biological assets | | 16,451 | 17,017 | 11,558 |
| Investments | | 10,868 | 10,225 | 13,774 |
| Long term loans, advances and deposits | | 139,141 | 138,349 | 130,347 |
| | | 18,074,263 | 18,350,253 | 15,821,923 |
| CURRENT ASSETS | | | | |
| Biological assets | | 22,870 | 29,299 | 19,717 |
| Stores, spare parts and loose tools | | 492,071 | 526,441 | 252,976 |
| Stock-in-trade | 6 | 2,915,108 | 1,735,039 | 2,203,748 |
| Trade debts | | 159,646 | 154,993 | 122,432 |
| Loans, advances, deposits, prepayments and other receivables | | 1,082,765 | 944,437 | 1,776,588 |
| Cash and bank balances | | 295,184 | 514,289 | 343,825 |
| | | 4,967,644 | 3,904,498 | 4,719,286 |
| TOTAL ASSETS | | 23,041,907 | 22,254,751 | 20,541,209 |


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the Half Year Ended 31 March 2020 (Un-Audited)

| | Half year ended | | Quarter ended | |
|--|----------------------------------|------------------|------------------|------------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | ----- (Rupees in thousand) ----- | | | |
| REVENUE | 12,314,945 | 13,023,048 | 6,554,803 | 7,237,462 |
| COST OF SALES | (12,121,958) | (11,450,714) | (6,344,283) | (6,452,039) |
| GROSS PROFIT | 192,987 | 1,572,334 | 210,520 | 785,423 |
| ADMINISTRATIVE EXPENSES | (243,835) | (217,473) | (130,380) | (112,524) |
| DISTRIBUTION COST | (1,034,157) | (1,075,544) | (589,958) | (567,434) |
| OTHER EXPENSES | (10,679) | (42,783) | (1,369) | (13,289) |
| OTHER INCOME | 734,906 | 54,555 | 39,019 | 36,755 |
| (LOSS) / PROFIT FROM OPERATIONS | (360,778) | 291,089 | (472,168) | 128,931 |
| FINANCE COST | (353,278) | (217,379) | (195,796) | (94,176) |
| SHARE OF PROFIT / (LOSS) FROM ASSOCIATE | 567 | (182) | 283 | (91) |
| (LOSS) / PROFIT BEFORE TAXATION | (713,489) | 73,528 | (667,681) | 34,664 |
| TAXATION | 101,659 | (81,223) | (39,410) | (41,023) |
| LOSS AFTER TAXATION | (611,830) | (7,695) | (707,091) | (6,359) |
| SHARE OF LOSS ATTRIBUTABLE TO: | | | | |
| EQUITY HOLDERS OF HOLDING COMPANY | (398,334) | (76,458) | (627,715) | (31,678) |
| NON-CONTROLLING INTEREST | (213,496) | 68,763 | (79,376) | 25,319 |
| | (611,830) | (7,695) | (707,091) | (6,359) |
| LOSS PER SHARE - BASIC AND DILUTED (RUPEES) | (4.89) | (0.06) | (5.66) | (0.05) |

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Half Year Ended 31 March 2020 (Un-Audited)

| | Note | 31 March 2020 (Rupees in thousand) | 31 March 2019 |
|---|------|--|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 8 | 99,127 | 3,845,234 |
| Finance cost paid | | (301,056) | (428,341) |
| Net increase in long term loans, advances and deposits | | (792) | (987) |
| Employees' retirement benefits paid | | - | (24,591) |
| Income tax paid | | (142,241) | (283,079) |
| Net cash (used in) / generated from operating activities | | (344,962) | 3,108,236 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment and intangible asset | | (181,501) | (3,021,946) |
| Proceeds from sale of livestock | | 3,281 | - |
| Proceeds from sale of property, plant and equipment | | 1,006 | 30,461 |
| Interest received on loan to Sui Northern Gas Pipelines Limited | | 68 | 101 |
| Net cash used in investing activities | | (177,146) | (2,991,384) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Short term borrowings - net | | 592,071 | (481,160) |
| Repayment of long term financing | | (120,748) | (306,995) |
| Repayment of lease liabilities - net | | (168,241) | 562,001 |
| Musharakah financing obtained | | - | 280,000 |
| Dividend paid | | (79) | (234) |
| Net cash from financing activities | | 303,003 | 53,612 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | (219,105) | 170,464 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | | 514,289 | 343,825 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | | 295,184 | 514,289 |

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year Ended 31 March 2020 (Un-Audited)

| | Half year ended | | Quarter ended | |
|---|----------------------------------|------------------|------------------|------------------|
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| | ----- (Rupees in thousand) ----- | | | |
| LOSS AFTER TAXATION | (611,830) | (7,695) | (707,091) | (6,359) |
| OTHER COMPREHENSIVE LOSS | | | | |
| Items that will not be reclassified to profit or loss in subsequent periods: | | | | |
| Share of other comprehensive loss of associate | (6) | (297) | (3) | (149) |
| Items that may be reclassified to profit or loss in subsequent periods | | | | |
| Other comprehensive loss for the period | (6) | (297) | (3) | (149) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (611,836) | (7,992) | (707,094) | (6,508) |
| SHARE OF TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO: | | | | |
| EQUITY HOLDERS OF HOLDING COMPANY | (398,340) | (76,755) | (627,718) | (31,827) |
| NON-CONTROLLING INTEREST | (213,496) | 68,763 | (79,376) | 25,319 |
| | (611,836) | (7,992) | (707,094) | (6,508) |

The annexed notes form an integral part of these consolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 March 2020 (Un-Audited)

| SHARE CAPITAL | RESERVES | | | | | | | | | | ACCUMULATED LOSS | SHARE-HOLDERS' EQUITY | NON-CONTROLLING INTEREST | TOTAL EQUITY | | | |
|---------------|----------------------------------|--|---|--|--|-------------------------------------|-----------|---------|-----------------------|--------------------------------------|------------------|-----------------------|--------------------------|--------------|-----------|------------|-----------|
| | CAPITAL RESERVES | | | | | REVENUE RESERVES | | | | | | | | | TOTAL | | |
| | Premium on issue of right shares | Share in capital reserves of associate | Fair value reserve of investments at fair value other than other comprehensive income | Difference of capital under scheme of merger | Surplus on revaluation of property, plant and equipment or deferred income tax | Musharakah financing-equity portion | Sub total | General | Dividend equalization | Equity investment value equalization | | | | | | Sub total | |
| 1,250,000 | 1,056,373 | - | (5,200) | 155,930 | 7,307,14 | - | 8514,27 | 410,606 | 22,700 | 83,000 | 516,306 | 9,030,523 | (164,631) | 8,632,212 | 1,705,823 | 10,341,035 | |
| - | - | (1436) | - | (159,576) | - | - | (159,576) | - | - | - | - | (159,576) | 1,957,6 | (1436) | - | (1436) | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | (7,696) | (7,696) | 68,763 | 61,068 | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | (237) | (237) | 68,763 | 68,526 | - |
| 1,250,000 | 1,056,373 | (1436) | 155,930 | 7,147,538 | - | 8,353,205 | 410,606 | 22,700 | 83,000 | 516,306 | 8,869,511 | (149,377) | (7,992) | 86,25784 | 1,714,586 | 10,403,370 | |
| - | - | - | - | (163,379) | - | (163,379) | - | - | - | - | - | (163,379) | 163,379 | - | (140,684) | - | (140,684) |
| - | - | - | - | (140,684) | - | (140,684) | - | - | - | - | - | (140,684) | - | - | - | - | - |
| - | - | - | - | (2,905) | - | (2,905) | - | - | - | - | - | (2,905) | 2,905 | - | - | - | - |
| - | - | - | - | (2,905) | - | (2,905) | - | - | - | - | - | (2,905) | 2,905 | - | - | - | - |
| - | - | - | - | 7,2532 | - | 7,2532 | - | - | - | - | - | 7,2532 | - | - | 65,907 | 138,489 | - |
| - | - | - | - | 7,2532 | - | 7,2532 | - | - | - | - | - | 7,2532 | - | - | 65,907 | 138,489 | - |
| - | - | (1436) | - | (1436) | - | (1436) | - | - | - | - | - | (1436) | - | - | - | (1436) | - |
| - | - | - | - | 56,323 | - | 56,323 | - | - | - | - | - | 56,323 | (63,146) | (63,146) | (56,323) | (63,379) | - |
| - | - | - | - | 56,323 | - | 56,323 | - | - | - | - | - | 56,323 | (26,900) | (26,900) | (56,323) | (83,223) | - |
| - | - | - | - | 56,323 | - | 56,323 | - | - | - | - | - | 56,323 | (60,7548) | (60,7548) | (56,323) | (61,3433) | - |
| 1,250,000 | 1,056,373 | (2,872) | 155,930 | 6,894,893 | 7,2532 | 8,171,656 | 410,606 | 22,700 | 83,000 | 516,306 | 8,687,962 | (232,988) | (79,122) | 790,494 | 1,864,891 | 9,669,855 | |
| - | - | - | - | (162,947) | - | (162,947) | - | - | - | - | - | (162,947) | 162,947 | - | - | - | - |
| - | - | - | - | (162,947) | - | (162,947) | - | - | - | - | - | (162,947) | 162,947 | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | (6) | (6) | (214,496) | (61,830) | - |
| - | - | - | - | - | - | - | - | - | - | - | - | - | (6) | (6) | (214,496) | (61,830) | - |
| 1,250,000 | 1,056,373 | (2,872) | 155,930 | 6,731,946 | 7,2532 | 8,008,709 | 410,606 | 22,700 | 83,000 | 516,306 | 8,525,015 | (2,368,381) | (79,122) | 700,6634 | 1,611,395 | 9,058,029 | |

(RUPEES IN THOUSAND)

Balance as at 30 September 2018
 Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax.
 Share of reserves of associate
 Loss for the period
 Other comprehensive loss for the period
 Total comprehensive loss for the period

Balance as at 31 March 2019
 Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax.
 Adjustment of deferred income tax liability due to re-assessment at year end
 Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment
 Musharakah financing - equity portion
 Share of reserves of associate
 Loss for the period
 Other comprehensive income for the period
 Total comprehensive loss for the period

Balance as at 30 September 2019
 Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax.
 Loss for the period
 Other comprehensive loss for the period
 Total comprehensive loss for the period

The annexed notes form an integral part of these consolidated condensed interim financial statements.

Abdul Wahid
Chief Executive Officer

[Signature]
Chief Financial Officer

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Half Year Ended 31 March 2020 (Un-Audited)

1. THE GROUP AND ITS OPERATIONS

The Group consists of Shakarganj Limited (the Holding Company) and its Subsidiary Company, Shakarganj Food Products Limited.

Shakarganj Limited

Shakarganj Limited (the Holding Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in the business of manufacture, purchase and sale of sugar, biofuel and yarn (textile). Moreover the Company also operates agriculture farms.

Shakarganj Food Products Limited

Shakarganj Food Products Limited (the Subsidiary) was incorporated in Pakistan initially as a private limited company on 03 April 2001 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The name of the company was changed from A.M. Fruit Products (Private) Limited to Shakarganj Food Products Limited along with change of its status from private to public limited on 03 January 2006. The registered office of the Company is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore. The Company is engaged in the business of manufacture, process and sale of food products (dairy, fruit pulps and concentrate juices). The Company is a subsidiary of Shakarganj Limited. Ownership interest held by non-controlling interest in Shakarganj Food Products Limited is 47.61% (30 September 2019: 47.61%).

- 1.1 Due to evolution of COVID-19 pandemic, the Holding Company's operations were also affected, as sugar sales, ethanol exports and yarn sales of the Company dropped after the country-wide lockdown from 24 March 2020. However, State Bank of Pakistan vide its circular No. ERD/M&PRD/PR/01/2020-32 dated 26 March 2020 allowed deferment of principal repayments on loan obligations due to banks by a period of one year. The Holding Company has availed this opportunity and applied to National Bank of Pakistan (NBP) on 08 April 2020, subsequent to the reporting date and requested to defer the loan repayments of long term financing and short term borrowings accumulating to Rupees 463.162 million. NBP on 19 May 2020 has approved the deferment of loan repayments as requested by the Holding Company. The Holding Company is fully committed to continue as a going concern in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

- i) These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting.
 - International Accounting Standard (IAS) 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- ii) These consolidated condensed interim financial statements have been prepared for the first time following the change in accounting treatment of the investment of Shakarganj Foods Products Limited as investment in subsidiary company as disclosed in Note 6.1.2 of the condensed interim financial statements of the Holding Company. These consolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Holding Company and its Subsidiary for the year ended 30 September 2019. These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as approved in the preparation of the audited annual financial statements of the Holding Company and its Subsidiary for the year ended 30 September 2019, except for the following:

IFRS 16 ‘Leases’

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the statement of financial position.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 01 October 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

The effect of adoption of IFRS 16 {increase / (decrease) } is as follows:

| | 31 March 2020 | 1 October 2019 |
|--|-----------------------------|---------------------------|
| | (Rupees in thousand) | |
| Consolidated condensed interim statement of financial position (Un-audited) | | |
| Assets | | |
| Property, plant and equipment: right-of-use assets | 26,764 | 32,117 |
| Liabilities | | |
| Lease liabilities | (28,769) | (32,117) |
| Deferred income tax liability | 581 | - |
| | <u>(1,424)</u> | <u>-</u> |

The effect of adoption of IFRS 16 during the period ended 31 March 2020 is as follows:

| | (Rupees in thousand) |
|--|----------------------|
| Consolidated condensed interim statement of profit or loss (un-audited) | |
| Lease rental expense not booked | 5,764 |
| Depreciation of right-of-use assets | (5,353) |
| Mark-up on lease liabilities | (2,416) |
| Impact on loss before taxation | (2,005) |
| Taxation | 581 |
| Impact on loss after taxation | (1,424) |

The Group has lease contracts for various items of property, plant and equipment. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17). The requirements of IFRS 16 were applied to these leases from 01 October 2019.

Leases previously accounted for as operating leases

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

2.2 Consolidation

a) Subsidiary

Subsidiary is the entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The assets and liabilities of Subsidiary have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary.

Intragroup balances and transactions have been eliminated.

Non-controlling interest is that part of net results of the operations and of net assets of Subsidiary attributable to interest which are not owned by the Holding Company. Non-controlling interests are presented as separate item in the consolidated condensed interim financial statements.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in equity method accounted for associates are tested for impairment in accordance with the provision of IAS 36 'Impairment of Assets'.

2.3 Critical accounting estimates, judgments and financial risk management

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Holding Company and its Subsidiary for the year ended 30 September 2019.

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding annual audited financial statements of the Holding Company and its Subsidiary for the year ended 30 September 2019.

2.4 Seasonality of operations

The Holding Company is, inter alia, engaged in manufacturing of sugar for which the season begins in November and ends in March. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Holding Company's financial year thus increasing volume of inventories and financing at the end of the first half.

3. LONG TERM FINANCES

| | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|---|--|-----------------------------------|
| Opening balance | 1,037,244 | 1,483,406 |
| Add: Obtained during the period / year | 100,000 | - |
| Less: Repaid during the period / year | (81,581) | (306,995) |
| | <u>1,055,663</u> | <u>1,176,411</u> |
| Less: Current portion shown under current liabilities | (424,413) | (468,120) |
| | <u>631,250</u> | <u>708,291</u> |

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

- (i) The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 through notification No. SO. Tax (E&T) 3-4/2012 dated 03 July 2012, levied a duty of Rupees 2 per liter on manufacturing of spirit (biofuel) with effect from 01 July 2012. In view of legal lacunas, discrimination as to other provinces, no legislative competence and lawful authority of Government of Punjab to impose such duty on industrial ethanol which is not alcohol liquor and the fact that the Holding Company is exporter of the spirit which is exempted under Order 6 of the Punjab Liquor Import, Export, Transportation and Possessions Orders, the management through its legal counsel has challenged the imposition of said levy and is currently contesting it at Honorable Lahore High Court, Lahore. Keeping in view all the court proceedings and grounds discussed in various higher courts, Punjab Government, after due deliberations of the Provincial Cabinet of the Punjab Government, on 20 August 2019, through its notification no. SO(E&M)2-5/2018/ED withdrew the imposed duty of Rupees 2 per liter upon the manufacture of spirit in any distillery. As per Holding Company's legal counsel, the Holding Company has clear-cut case and the decision of the case shall be in favor of the Holding Company. In view of the aforesaid, the duty on manufacturing of spirit (biofuel) previously recognized as liability amounting to Rupees 430.280 million has been derecognized and Rupees 236.454 million previously deposited on this account has been recognized as receivable being refundable.

- (ii) The Holding Company has paid an advance amounting to Rupees 12,999 million to Messrs Industrial Enterprises for designing the boiler project to use only biogas as fuel with no option of burning bagasse. However, the boiler could not generate steam as per specification. It is unlikely that this project will be completed. Therefore the Holding Company has gone into litigation with Industrial Enterprises in Civil Court, Jhang on 03 July 2018 for the recovery of the advance paid along with damages. Based on the advice of legal counsel, there are favourable grounds that the case will be decided in favour of the Holding Company and the advance amount paid will be refunded back.

4.2 Commitments

- (i) Contracts for capital expenditure of Subsidiary are of Rupees 11,460 million as at 31 March 2020 (30 September 2019: Rupees 123,801 million).
- (ii) Ijarah (operating lease) commitments of Subsidiary are of Rupees 58,710 million as at 31 March 2020 (30 September 2019: Rupees 65,589 million).

| | Note | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|---|------|--|-----------------------------------|
| 5. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 51 | 15,842,398 | 16,021,724 |
| Capital work-in-progress | | 222,451 | 147,324 |
| Right-of-use assets / assets subject to finance arrangements | | 1,838,094 | 2,010,147 |
| | | <u>17,902,943</u> | <u>18,179,195</u> |
| 5.1 Operating fixed assets | | | |
| Opening book value | | 16,021,724 | 13,308,522 |
| Add: | | | |
| Cost of additions during the period / year | 51.1 | 28,321 | 136,572 |
| Transfer from right-of-use assets / assets subject to finance arrangements | | 178,553 | 264,963 |
| Transfer from capital work-in-progress | | 48,057 | 3,125,314 |
| | | <u>16,276,655</u> | <u>16,835,371</u> |
| Less: Book value of deletions during the period / year | | 961 | 23,683 |
| | | <u>16,275,694</u> | <u>16,811,688</u> |
| Depreciation charged during the period / year | | 433,296 | 789,964 |
| | | <u>15,842,398</u> | <u>16,021,724</u> |

| | 31 March 2020 (Un-audited) (Rupees in thousand) | 30 September 2019 (Audited) |
|---|--|-----------------------------------|
| 5.1.1 Cost of additions during the period / year | | |
| Building | 3,972 | 4,530 |
| Plant and machinery | 20,563 | 107,850 |
| Tools and equipment | 23 | 690 |
| Water, electric and weighbridge equipment | 2,353 | 11,339 |
| Laboratory and milk collection equipment | - | 1,990 |
| Furniture and fixtures | 621 | 2,159 |
| Office equipment | 706 | 5,596 |
| Vehicles | 83 | 2,418 |
| | 28,321 | 136,572 |
| 6. STOCK-IN-TRADE | | |
| Raw materials | 719,241 | 583,198 |
| Work-in-process | 41,594 | 20,724 |
| Finished goods | 2,154,273 | 1,131,117 |
| | 2,915,108 | 1,735,039 |

- 6.1** The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the period was Rupees 6.22 million (30 September 2019: Rupees 4.13 million).

| | (Un-audited) | |
|--|--|------------------|
| | 31 March 2020 (Rupees in thousand) | 31 March 2019 |
| 8. CASH GENERATED FROM OPERATIONS | | |
| Loss before taxation | (713,489) | (769,673) |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 488,910 | 876,582 |
| Amortization of intangible asset | 607 | 608 |
| Gain on sale of property, plant and equipment | (45) | (6,777) |
| Finance cost | 344,023 | 513,433 |
| Adjustment on account of excise duty on manufacturing of ethanol | (666,734) | - |
| Credit balances written back | - | (1,710) |
| Allowance for expected credit losses | 1,062 | - |
| Exchange loss | 3 | - |
| Provision for employees' retirement benefits | 22,946 | 65,867 |
| Interest income on loan to SNGPL | (19) | (75) |
| Amortization of deferred income | (588) | (1,232) |
| Working capital changes (Note 8.1) | 622,451 | 3,168,211 |
| | 99,127 | 3,845,234 |
| 8.1 Working capital changes | | |
| (Increase) / decrease in current assets: | | |
| Stock-in-trade | (1,180,069) | 468,709 |
| Trade debts | (5,715) | (16,525) |
| Stores, spare parts and loose tools | 34,370 | (273,465) |
| Loans, advances, deposits, prepayments and other receivables | (210,227) | 908,085 |
| Biological assets - net | 3,714 | (15,041) |
| | (1,357,927) | 1,071,763 |
| Increase in trade and other payables | 1,980,378 | 2,096,448 |
| | 622,451 | 3,168,211 |

9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, key management personnel and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties as follows:

| | (Un-audited) Half year ended | |
|---|--|------------------|
| | 31 March 2020 (Rupees in thousand) | 31 March 2019 |
| i) Transactions | | |
| Associate and associated companies | | |
| Purchase of goods | 257,444 | 192,826 |
| Common expenses shared | 6,258 | 6,673 |
| Insurance expenses | 4,595 | 4,965 |
| Sale of goods and rendering of services | 260,508 | 173,570 |
| Mark-up on borrowing | 29,492 | 21,950 |
| Ijarah rentals | 6,495 | 6,587 |
| Long term loan repayment | 66,667 | 84,667 |
| Other related parties | | |
| Holding Company's contribution to employees retirement benefits | 6,729 | 5,878 |
| Mark-up expense | 17,076 | 21,984 |
| Godown and guest house rent | 3,199 | 1,955 |
| Share of common expenses | 2,061 | 907 |
| Remuneration paid to Chief Executive Officer, directors and executives | 185,463 | 168,201 |

10. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were approved and authorized for issue on 29 May 2020 by the Board of Directors of the Holding Company.

11. CORRESPONDING FIGURES

As the consolidated condensed interim financial statements have been prepared for the first time, therefore the corresponding figures have been consolidated for the first time for all the previous periods presented.

12. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.


Chief Executive Officer


Director


Chief Financial Officer

ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2020 کو ختم ہونے والے نصف سال کے لئے کمپنی اور گروپ کے متعدد عبوری مالی بیانات پیش کرنے پر خوش ہیں۔

غیر معمولی ناختم میں معاشی آؤٹ لک

پیارے شیئرداران، کورونا وائرس وبائی بیماری کے پھیلنے کی وجہ سے، ہم غیر معمولی اوقات میں اس رپورٹ کو تیار کر رہے ہیں۔ اس نے سپلائی چینوں کے عمل کو بری طرح سے متاثر کیا اور معاشی سرگرمی کو خلل پہنچایا جس سے معاشرتی دوری اور سرگرمیوں میں کمی واقع ہوگی۔ اس وبائی مرض میں روز بروز اضافہ ہو رہا ہے اور وفاقی اور صوبائی حکومتوں کے لئے فوری چیلنجوں میں کورونا وائرس وبائی بیماری کے پھیلاؤ پر قابو پانے کے ساتھ ساتھ معاشی نقصانات کو کم کرنا اور ملک کے سب سے زیادہ متاثرہ طبقات کی حفاظت کرنا ہے۔

مالی اور آپریشنل کارکردگی:

چیلنجوں کے باوجود، آپ کی کمپنی 884,724 ٹن گنے کو کھلنے میں کامیاب رہی جو اسی عرصے میں کچل کر 484,762 ٹن گنے کے مقابلے میں تقریباً دو گنا ہے۔ شکر گج نے رواں سال 30 دسمبر 2018 سے شروع ہونے والے سیزن کے مقابلے میں 25 نومبر 2019 کو ایک مہینے سے بھی زیادہ عرصہ پہلے کرشنگ ہم شروع کر دی تھی۔ زیادہ تر وقت، کاشنکار صوبائی حکومت کی طرف سے مقرر کردہ نرخ پر گنے کی فروخت کیلئے تیار نہیں تھے۔ 190 روپے فی 40 کلوگرام سے زیادہ قیمت چاہتا تھا جس کے نتیجے میں ملوں میں قیمتوں کا مقابلہ ہوا۔ اس مدت کے دوران، پنجاب شوگر ملز ایسوسی ایشن نے اعلان کردہ قیمتوں پر گنے کی عدم فراہمی کی وجہ سے بھی دو ہفتوں تک ملوں کو بند رکھنے کا اعلان کیا تھا۔ تمام چیلنجوں کو مد نظر رکھتے ہوئے، ہم سیزن کے شروع کے آغاز کی وجہ سے اپنی کرشنگ میں نمایاں اضافہ کرنے میں کامیاب ہو گئے تھے۔ تاہم، چینی کی قیمت میں اضافے سے چینی کی کم بحالی کے ساتھ اضافی خام مال کی لاگت کی تلافی نہیں ہو سکتی ہے۔

بایوفیول کے کاروبار میں، مولاسس کی غیر ممکنہ قیمتوں کی وجہ سے ہماری ڈسٹری نے اس قابل عمل نرخ پر مولاسس کی عدم دستیابی کی وجہ سے اپنے کام کا آغاز نہیں کر سکی۔ اسی عرصے میں 128 دن کے مقابلے میں ڈسٹری کے آپریشنل دن صرف 58 تھے۔

31 مارچ 2020 کو ختم ہونے والے آدھے سال کے دوران، کمپنی کی مجموعی فروخت سے آمدنی 4,942.9 ملین (HY19): 4444.9 ملین روپے) تھی۔ اسی عرصے کے دوران کمپنی کا مجموعی خسارہ 392.9 ملین روپے تھا جبکہ اس کے مقابلے میں گزشتہ سال اسی عرصے میں 273.9 ملین روپے تھا۔ ٹیکس سے پہلے کمپنی کا خسارہ 415.2 ملین روپے تھا۔ اسی عرصے کے مقابلے میں 43.5 ملین روپے کے ٹیکس سے پہلے نقصان ہوا۔ کمپنی کا مکمل ٹیکس خسارے کے بعد 399.0 ملین روپے گزشتہ سال کے اسی عرصے میں 86.6 ملین تھا۔

کاروباری طبقات:

شوگر ڈویژن:

مالی سال 2020 کی پہلی ششماہی کے لئے شوگر ڈویژن محصول اس ڈویژن کی 4,446.7 ملین اور انٹریگنٹ فروخت 710.1 ملین روپے کے خالص سیلر ریونیو کے مقابلے میں 2,046.8 ملین اور انٹریگنٹ فروخت 479.4 روپے گزشتہ سال کی اسی مدت کے دوران تھی۔ شوگر ڈویژن نے 884,724 ٹن (HYFY19: 484,762 ٹن) گنے کو کچل کر 77,560 ٹن (HYFY19: 49,016

ٹن) چینی اوسط وصولی کی شرح سے 8.76 فیصد (10.13:HYFY19) فیصد) پیدا کیا۔ جس کے نتیجے میں چینی کی پیداوار میں 58 فیصد اضافہ ہوا۔ گئے کے معیار کی وجہ سے ریکوری میں نمایاں کمی واقع ہوئی۔

سیزن کے آغاز میں چینی کی فروخت کی قیمت میں پہلے سے شروع ہونے اور اضافے کی وجہ سے، پچھلے سال کے اسی عرصے کے حساب سے پیداوار اور فروخت میں نمایاں اضافہ ہوا تھا۔ تاہم، سخت مقابلہ کی وجہ سے خام مال کی لاگت میں بھی اضافہ کیا گیا تھا۔ پیداوار کی اعلیٰ لاگت اور کم وصولی کے نتیجے میں موجودہ مدت کے دوران 5.62 فیصد کا مجموعی نقصان ہوا، اس کے مقابلے میں پچھلے سال کے اسی عرصے کے دوران 5.68 فیصد کا مجموعی نقصان ہوا۔ چلی لائن کے نتیجے میں روپے پر ٹیکس سے پہلے 455 ملین روپے نقصان ہوا۔ گذشتہ سال کے اسی عرصے کے لئے 228.8 ملین نقصان ہوا۔

بائیو فیول ڈویژن:

اس عرصے کے دوران بائیو فیول ڈویژن کی خالص فروخت سے حاصل ہونے والی آمدنی 1.3 ملین روپے اور انٹر سیگمنٹ 25.9 ملین روپے فروخت کے ساتھ آمدنی کے مقابلے میں 1,713.7 ملین روپے اور انٹر سیگمنٹ 75.0 ملین روپے ہیں۔ آخری مدت کے دوران مجموعی خسارہ 85 ملین روپے کے مقابلے میں پچھلے سال کی اسی مدت میں 413.1 ملین روپے منافع تھا۔ چلی لائن کے نتیجے میں روپے پر ٹیکس لگنے سے پہلے 126.7 ملین نقصان کے مقابلے میں 251.1 ملین روپے منافع ہوا۔ اس ڈویژن کی پیداوار کم ہو کر 7.21 ملین لیٹر (14.44:HYFY19) ہو گئی۔ جیسا کہ پہلے بحث کی گئی ہے، بائیو فیول کے عمل کو بند کرنے کی وجہ سے اس مدت کے دوران برآمدات نہیں ہوئیں۔

ٹیکسٹائل ڈویژن:

ٹیکسٹائل ڈویژن کی آمدنی چھ ماہ کے لئے 477.7 ملین روپے کے مقابلے میں گذشتہ سال اسی عرصے میں 667 ملین تھی۔ یارن کی پیداوار کم ہو کر 1.55 ملین کلوگرام (2.29:HYFY19) ملین کلوگرام) ہو گئی۔ اس عرصے میں مجموعی خسارہ 21.6 ملین رہا۔ موجودہ مدت کے دوران ٹیکسٹائل ڈویژن کے مجموعی خسارے کا مارجن 4.51 فیصد رہا جبکہ اس عرصے کے مقابلے کے دوران اس میں مجموعی نقصان کا 0.96 فیصد رہا۔ نقصان میں اضافے کے بنیادی عوامل میں خام مال کی لاگت اور بجلی کی کنی یونٹ لاگت میں نمایاں اضافہ شامل ہے۔ چلی لائن کے نتیجے میں روپے پر ٹیکس لگنے سے پہلے 39.5 ملین روپے کے مقابلے میں پچھلے سال اسی مدت کے لئے 23 ملین روپے نقصان ہوا۔

غیر مجتمع مالی مقام

بیلنس شیٹ 30 ستمبر 2019 کو 13,371.4 ملین روپے کے مقابلے میں 31 مارچ 2020 تک 14,264.6 ملین روپے پہ تھی۔ مجموعی شیر ہولڈرز فنڈ 30 ستمبر 2019 کو 7,877.2 ملین روپے کے مقابلے میں 7,478.9 ملین روپے تک کم ہو گیا۔ فی شیئر بریک اپ ویلیو 59.83 روپے تھی۔

اکٹھامالی کارکردگی

ایک مجتمع بنیاد پر، مالیات کے اخراجات سے پہلے آپریٹنگ نقصان اور ایکویٹی میں شامل سرمایہ کاری میں منافع کا حصہ 360.7 ملین روپے (HY19: نقصان 291.1 ملین روپے) تھا۔ اس مدت کے لئے گروپ کو ٹیکس کے بعد اکٹھا نقصان 611.8 ملین روپے ٹیکس کے بعد نقصان کے مقابلے میں 7.7 ملین روپے تھا۔ زیر جائزہ مدت کے دوران، شکر گن فوڈز ڈکٹ لیمنڈ، ماتحت کمپنی کی ٹیکس کے بعد خسارہ 448.4 ملین روپے (HY19: ٹیکس کے بعد منافع 144.4 ملین روپے) تھا۔ نقصان کی وجہ میں کھپت

میں تیز ڈراپ کی وجہ سے فروخت کے حجم میں کمی، پیداوار کی لاگت میں اضافہ شامل ہے کیونکہ پچھلے اسی عرصے کے مقابلے میں خام دودھ کے لئے ان پٹ لاگت میں تقریباً 28 فیصد، سکیمڈ دودھ پاؤڈر کے لئے 65 فیصد اور سبزیوں کی چربی میں 14 فیصد اضافہ ہوا ہے۔

گروپ کی بنیاد پر، مجتمع بیلنس شیٹ 30 ستمبر 2019 کو 22,254.7 ملین روپے کے مقابلے میں 23,041.0 ملین روپے تھی۔ ٹوٹل ایکویٹی 31 مارچ 2020 کو 9,669.9 ملین روپے سے کم ہو کر 9,058.0 ملین روپے ہو گئی۔

صحت، حفاظت، ماحولیات اور کارپوریٹ معاشرتی ذمہ داری

محفوظ اور صحتمند کام کے ماحول کو یقینی بنانے کے لئے، کمپنی COVID-19 وبائی امراض کی ترقی کے مطابق اپنی صحت اور حفاظت کے طریقوں کو ڈھال رہی ہے۔ اقدامات میں بلا تعطل کارروائیوں کے لئے دفتر میں حاضر ہونے کے لئے ضروری عمل کی درجہ بندی بھی شامل ہے، جبکہ دوسرے عمل کو گھر سے گھر منتقل کر دیا گیا ہے۔ تکنیکی پیشرفت نے مجازی ملاقاتوں میں تبدیلی کے ذریعہ کم سے کم جسمانی تعامل کو ممکن بنایا ہے۔ وبائی امراض کا سامنا کرنے والی صورتحال کو کم کرنے کے لئے تمام نیکوشین کی جارہی ہیں۔ ہم ان سرگرمیوں میں حصہ لینے کے لئے فعال طور پر مواقع تلاش کرتے ہیں جن میں ہم کام کرتے ہیں اور ان ماحول کو بہتر بناتے ہیں جو ہم سب کو برقرار رکھتے ہیں۔ ہماری بنیادی توجہ کے شعبے تعلیم، صحت اور حفاظت، توانائی کے تحفظ، فضلہ میں کمی، اور معاشرتی تعمیر ہیں۔

مستقبل کے آؤٹ لک:

کورونائرس کی بیماری کے پیش نظر، کاروباری سرگرمیاں ترک کر دی گئیں اور مستقبل کا نظارہ، اس کے مطابق اس سے کافی حد تک کم اور مشکلات سے بھرا پڑا ہے۔ معاشی سرگرمیوں میں سست روی نے پہلے ہی برآمدات کے شعبے کو متاثر کیا ہے کیونکہ بین الاقوامی طلب میں نمایاں کمی واقع ہوئی ہے۔ جزوی طور پر لاک ڈاؤن کا سلسلہ جاری رہنے کا امکان ہے، جس سے کچھ منتخب صنعتوں میں آسانی پیدا ہوگی۔ تاہم، کمپنی کی انتظامیہ اس صورتحال کا جائزہ لے رہی ہے اور جہاں بھی ممکن ہو کاروبار کے تسلسل کے لیے تمام ضروری اقدامات کرے گی اور اس بیماری کے نتیجے میں پیدا ہونے والی پیشرفت کے پیش نظر حکومت کی اجازت کے مطابق مالی سال 2020 کی پہلی ششماہی کے دوران، کمپنی نے کامیابی کے ساتھ اپنے ورکنگ کیپیٹل لائسنوں کی تجدید کی ہے۔ کمپنی بہتر کارکردگی کے حصول کے لئے اپنی بہترین کوششوں کے لئے پرعزم ہے۔

آخر میں، ہم تمام اسٹیک ہولڈرز کی سرپرستی کے لئے ان کا شکریہ ادا کرنا چاہتے ہیں اور ان کی مسلسل حمایت کے منتظر ہیں۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے

Abulhasan

علی الطاف سلیم
ڈائریکٹر

Ajiz Akhtar

انجم ایم سلیم
چیف ایگزیکٹو آفیسر

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Shakarganj Limited

Executive Floor, IT Tower, 73 E 1
Hali Road, Gulberg III, Lahore, Pakistan
Telephone: (042) 111 111 765
Fax: (042) 3578 3811
